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CIA/OER/S-5525-73

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10 October 1973

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MEMORANDUM FOR: [REDACTED]

SUBJECT : Evaluation of Shan State Army Proposal

The attached evaluation was prepared at your request by [REDACTED] of this office. Any question regarding this evaluation should be addressed to [REDACTED]

[REDACTED]

[REDACTED]

Attachment:
A/S

F(b)(1)
F(b)(3)
(S)

Distribution: (S-5525)

Orig & 1 - Addressee
1 - [REDACTED]
1 - [REDACTED]
1 - [REDACTED]
2 - [REDACTED]
1 - [REDACTED]
1 - [REDACTED]

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(10 Oct 73)

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10 October 1973

MEMORANDUM

Evaluation of Shan State Army Proposal

Control by the Shan State Army (SSA) over opium-producing areas in Burma is negligible and it is highly doubtful that they have access to 450 tons of raw opium. Raw opium production in all of Burma is estimated to be about 500 tons annually. A large portion of this output has been produced in areas now under the control of the Burmese Communist Party (BCP). Most of the opium produced in non-communist controlled areas is apparently purchased by representatives of the Chinese Irregular Forces (CIF) and independent merchants.

Raw opium exports to the Burma-Thailand-Laos tri-border area from the producing areas of Burma totalled a little over 400 tons annually during 1971 and 1972. The bulk of these exports were under the control of the so called Khakwoyei (KKY) and of the CIF. Most of the exports thus far in 1973 have been controlled by the CIF. There is no record of any significant SSA-controlled movements of raw opium to the tri-border during the past three years.

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The SSA appears to be primarily an opportunistic gang of small-scale opium smugglers and bandits having no real cohesion or substantial political organization and following. The number of armed men in the SSA is not known but probably is within a range of 200 to 1000. The position of the SSA in the Shan State, like that of other dissidents operating there (e.g., the Shan United Revolutionary Army, elements of the KKY, CIF, and the Kachin Independence Army), with the exception of the BCP, is becoming more untenable because of Burmese and Thai anti-narcotics efforts.

The SSA's proposal for a truce to allow it to concentrate on fighting the BCP would be unacceptable to the Burmese Government in view of Rangoon's past experience with independent para-military groups. For example, a similar truce between Rangoon and the KIA in 1972 collapsed because of mutual suspicions over real goals. There were somewhat similar arrangements between the Burmese government and the KKY in earlier years, but these eventually resulted in more problems than benefits to the Burmese Government. The KKY used the relationship to become the largest organization of opium traffickers in the Shan State.

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On the general question of narcotics control, a truce with Rangoon could provide the SSA and other traffickers freedom to rebuild their disrupted opium trafficking organizations undisturbed by the Burmese Army.

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